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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 10, 2011

Edwin P. Lister
33 West 100 South
Delta, Utah 84624

Subject: Surety Escalation and Related Matters, Edwin Lister, Bullseye #1 Mine, S/023/0031, Juab County, Utah

Dear Mr. Lister:

On August 3, 2011, you met with Wayne Western from DOGM and Jerry Mansfield from the BLM to discuss the surety escalation for the Bullseye # 1 Mine. At that meeting you expressed an interest in reducing your required bond amount by reducing the permit size from five acres to one acre. You also expressed your desire to transfer the bond from your Buckskin/Bandstone Exploration Project (E/023/0056) to the Bullseye # 1 Mine.

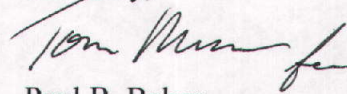
In order to reduce your permitted acreage and reallocate your bond, you will need to do the following:

- 1) Amend your NOI. Please fill out and return the amendment forms that Wayne Western handed you at your meeting. Please also include a map showing the disturbed area boundaries.
- 2) Request the release of the bond on your Buckskin/Bandstone Project. Please fill out and return the enclosed bond release request forms. Since the current bond is in the form of a certificate of deposit held by the BLM, you will also need to contact the BLM to request the release of your bond.
- 3) Send the Division with a completed, notarized, and signed Reclamation Contract. This form was mailed to you with a recent Division letter, dated June 9, 2011.

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Please contact me at 801-538-5261 or Wayne Western at 801-538-5263 if you have questions about any aspect of this letter. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul B. Baker", written over a horizontal line.

Paul B. Baker
Minerals Program Manager

PBB:whw:pb
ENCLOSURE: Bond Release Forms
cc: Jerry_Mansfield@BLM.gov
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